

FISCAL IMPACT STATEMENT ON BILL NO. **S.111**

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TO:	The Honorable David Thomas, Chairman, Senate Banking and Insurance Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Kenneth Brown, Beth Quick		
DATE:	February 5, 2009	SBD:	2009094

AUTHOR:	Senator Malloy	PRIMARY CODE CITE:	37-3-413
SUBJECT:	Loans		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

The Bill would amend the definition of short-term vehicle secured loan to include all lenders that make nonpurchase money vehicle secured loans, include all nonpurchase money vehicle secured loans regardless of the term of the loan, change the terminology for short-term vehicle secured loan to title loan, provide that a loan may be extended for no more than one hundred eighty days, that the principal of the loan cannot exceed eighty-five percent of the fair market retail value, increase the rescission period from one to three days, that the consumer must be given a conspicuous notice of right of rescission and that the lender may charge up to forty-eight percent annual interest for the loan.

EXPLANATION OF IMPACT:

The Board of Financial Institutions and the Department of Consumer Affairs indicate this Bill will have no impact on the General Fund of the State or on Federal and/or Other Funds.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Harry Bell
Assistant Director, Office of State Budget